

From: Wayne Hedberg
To: Minerals
Date: Wed, Jan 5, 2000 11:35 AM
Subject: Phone call from BEG Resources (Travertine #1- M023/042)

I received a telephone call from Gary Burningham of BEG Resources on Monday afternoon, January 3, 2000. He was responding to our recent letter that requested a Reclamation Contract form to accompany the \$14,000 interim surety that is presently on file with our office.

He stated he has been trying (unsuccessfully) to contact me for some time (I've received no phone messages from him). Mr. Burningham stated he was a partner (no longer) with Neil Jensen the previous operator of the Travertine #1 Mine. He stated that Mr. Jensen had embezzled over \$70,000 from the business and the partnership has since been dissolved. Mr. Burningham is presently the principal operator/owner of the mine. We discussed the outstanding access road reclamation issue between the BLM and the operator. The county is apparently claiming that this road is an RS2477 road and demanding that it not be reclaimed under any circumstance. Mr. Robert Steele, the local Juab County commissioner, has been communicating with the operator regarding this position.

I explained our position regarding the "temporary" requirement to bond for reclamation of this road until the BLM and County work out their difference of opinion. This would enable us to complete the LMO permitting process for this mine, which has been stalemated to date because of this outstanding issue. Mr. Burningham said he would try and contact Mr. Steele and the BLM to see if a meeting could be arranged to resolve this matter in the immediate future. He will contact me within the next few days to give me a status report of his progress. I advised that in the interim period he should still proceed with completion of the Reclamation Contract form.

He asked a hypothetical question. Assuming the BLM agrees that the access road **does** belong to the county and we can remove it from the reclamation plan, this would reduce the overall disturbance to 5 or less acres; could we then consider this a small mine again and return his \$14,000 bond? He stated the mine will never expand its size beyond what is presently disturbed and that the road is pushing them over the 5 acre threshold. I said that we may consider the request when the time comes, but that for now I couldn't give him an answer one way or the other. I also stated that the BLM would also have to concur since it is BLM managed/controlled lands. I mentioned that Mr. Jensen and the BLM have not had the best working relationship to date concerning this minesite.

Mr. Burningham stated he wanted to work with us to do what was required and will do his best to resolve the outstanding issues.

A COPY OF THIS EMAIL WILL BE FILED IN THE MINE FILE - M/023/042

CC: Mary Ann Wright